



Federal Communications Commission
Washington, D.C. 20554
SEP 15 1998

ORIGINAL

DIVISION
CC DKT 96-45

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SEP 18 1998

FEDERAL COMMUNICATIONS COMMISSION
DEPT. OF JUSTICE

Mr. Dale Smith
310 205th CT NE
Redmond, WA 98053

Dear Mr. Smith:

Thank you for your letter to President Clinton regarding a "telephone tax" or fee that may be added to some consumers' telephone bills by carriers to recover their contributions to the universal service support mechanisms and block grants. The White House has asked me to respond to your inquiry.

On May 7, 1997, the Commission adopted a first Report and Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in Section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. In addition, these mechanisms implement Congress's mandate to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

The 1996 Act requires all telecommunications carriers that provide interstate telecommunications services to contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer.

The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

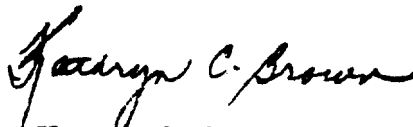
No. of Copies rec'd
List A B C D E

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With regard to block grants, the Joint Board considered and rejected the option of using block grants to states as an alternative method of administering the federal universal service support mechanism for schools and libraries. The Joint Board rejected this option consistent with comments submitted on the record in the universal service proceeding by the Senate Education Technology Working Group (Senate Working Group), a bipartisan group of 16 senators that included the co-authors of Section 254(h). The Joint Board agreed with the Senate Working Group's opinion that, because block grants are not based on the individual needs and priorities of schools and libraries for educational technology, a block grant approach would not satisfy the objective of Section 254 to provide affordable services to schools and libraries.

Your letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest and views on these important issues.

Sincerely,

A handwritten signature in cursive script, reading "Kathryn C. Brown".

Kathryn C. Brown
Chief
Common Carrier Bureau

THE WHITE HOUSE
WASHINGTON

CCB
96-456

6-26-98
DATE

MEMORANDUM FOR: FCC

FROM: SUE J. SMITH *SJS*
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT: REFERRAL OF WHITE HOUSE BULK MAIL

Thank you for your continued hard work in ensuring responses to the Presidential letters and inquiries forwarded to your agency. The volume of mail that the President and Mrs. Clinton receive still remains unprecedented.

Please return any misreferrals to me at the following address:

Ms. Sue J. Smith
Director, Office of Agency Liaison
Room 6, OEOB
The White House
Washington, D.C. 20500

If you have any questions, please do not hesitate to call me at 202/456-7486.

Thank you very much.

7/1/98 (10:00 AM)
From nobody@www2.whitehouse.gov Mon Jun 15 16:04:25 1998
Date: Mon, 15 Jun 1998 16:02:43 -0400
From: Dale Smith <Dsmith004@sprintmail.com>
Subject: Inbound-White_House_WWW_MAIL => PRESIDENT
Apparently-to: president@WhiteHouse.GOV
To: president@WhiteHouse.GOV
Errors-to: The Postmaster <postmaster@www2.whitehouse.gov>
Reply-to: Dale Smith <Dsmith004@sprintmail.com>
Message-id: <199806152002.QAA20025@www2.whitehouse.gov>

Content-transfer-encoding: QUOTED-PRINTABLE

Keywords: WWW-Correspondence; ; Offer neutral commentary, advice.
or a suggestion; Taxes; Private Citizen;
Comments: Forwarded from White House WWW
Comments: This message scanned by SCAN version 0.1 jms/960226

[Connection Information]

CLIENT: 140.107.44.230[140.107.44.230]
BROWSER: Mozilla/4.04 [en] (Win95; U)
URL: http://www.whitehouse.gov/WH/Mail/html/Mail_Presi=
dent.html

[Sender Information]

PERSONAL-NAME: Dale Smith
EMAIL-ADDRESS: Dsmith004@sprintmail.com
ORGANIZATION: =20
RELATIONSHIP: =20
STREET-ADDRESS: 310 205th CT NE
CITY: Redmond
STATE-PROVINCE: Wa
ZIP-CODE: 98053
COUNTRY: USA

[Message Information]

PURPOSE: Offer neutral commentary, advice, or a suggestion
TOPIC: Taxes
AFFILIATION: Private Citizen
SUBJECT: E-rate

[Message]

Dear Mr. President and Vice President,
I am writing to suggest that tax policy issues should be=20
publicly debate in the congress and not set by regulatory=20
agencies. I have called my elected representatives in both the=20
Senate and the House and asked them not to support the E-rate.=20

As I understand the E-rate, if enacted, is a fee or tax on long distance service which, as all fees and taxes are, passed on to the consumer and represents, in my view, a hidden tax that may be increased or decreased without a public debate or vote.

I do, however, support wiring schools to the internet and strongly urge you to provide block grants to states specifically target for school districts to secure computer hardware, cabling, and means of access to the internet. Once wired it should be the state's responsibility to maintain their networks.

Thank you in advance for your time and attention to this matter.

Sincerely yours

-09Dale Smith